

Exhibit A

NATIONAL PRESS CLUB NEWSMAKER WITH PETER THIEL

SUBJECT: THE PRESIDENTIAL ELECTION OF 2016

MODERATOR: THOMAS BURR, PRESIDENT OF THE NATIONAL PRESS CLUB

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THOMAS BURR: (Sounds gavel.) Welcome to the National Press Club. My name is Thomas Burr; I'm the Washington correspondent for the *Salt Lake Tribune* and the 109th President of the National Press Club. Our guest today is billionaire, businessman and tech pioneer, Peter Thiel.

I would like to welcome our Public Radio and C-SPAN audiences, and want to remind you that you can follow the action live on Twitter using the hashtag NPCLive. That's NPCLive. Today's format follows the same tradition of National Press Club luncheons with some remarks by our guest, and then a question and answer session concluding in an hour. I'll ask as many questions submitted from journalists online and from the reporters in the audience.

Peter Thiel is a man who wears many hats. He helped found PayPal and Palantir Technologies. He's a venture capitalist. He successfully sued Gawker and is a rare vocal supporter of Donald Trump in Silicon Valley. That's what he's here to talk about today.

Thiel, a billionaire, has used his money recently to invest in electing Trump as America's next president. Before garnering headlines for that, he used his reserves to fund Facebook, LinkedIn, Yelp! and other companies associated with the so-called PayPal mafia, and his own Thiel Foundation and Thiel Fellowship.

Thiel's plans to donate \$1.25 million towards the efforts to elect Trump have raised eyebrows in liberal-leaning Silicon Valley. The *New York Times* called him

“toxic” among technology investors and entrepreneurs. But Facebook CEO, Mark Zuckerberg, a Democratic donor, defended Thiel’s choice saying it would set a bad precedent to cut ties with him because of his political views.

Thiel laid out his support for the Republican presidential candidate in a prime time speech at the Republican National Convention in July. He didn't donate to the campaign until earlier this month, announcing the contribution shortly after revelations of recorded comments Trump made about women. He said he’d like to contribute through a combination of direct giving to the campaign and via Super PACs including \$1 million donation to the Super Pac, Make America #1.

In media circles, Thiel is best known for funding wrestler Hulk Hogan’s successful lawsuit against Gawker. This irreverent news website ended up closing its doors in August after filing for bankruptcy because of the ruling in the case. Thiel had long feuded with the site which has outed him as gay nearly a decade earlier.

Thiel is a Stanford alum who bills himself as a contrarian and has backed Libertarian politician Ron Paul. He’s also the author of books such as *The Diversity Myth, Multiculturalism and Political Intolerance on Campus*; and *Zero to One: Notes on Startups and How to Build the Future*. Please help me welcome to the National Press Club to talk about his political choices and motivations, Mr. Peter Thiel. (Applause)

MR. THIEL: Thank you very much for having me here. Everybody knows we've been living through a crazy election year. Real events seem like the rehearsals for “Saturday Night Live.” Only an outbreak of insanity would seem to account for the unprecedented fact that this year a political outsider managed to win a major party nomination.

To the people who are used to influencing our choice of leaders, to the wealthy people who give money and the commentators who give reasons why, it all seems like a bad dream. Donors don't want to find out how and why we got here. They just want to move on. Come November 9th, they hope everyone else will go back to business as usual.

But it is just this heedlessness, this temptation to ignore difficult realities indulged in by our most influential citizens that got us where we are today. A lot of successful people are too proud to admit it, since it seems to put their success in question, but the truth is no matter how crazy this election seems, it is less crazy than the condition of our country. Just look at the generation that supplies most of our leaders. The baby boomers are entering retirement in a state of actuarial bankruptcy. Sixty-four percent of those over the age of 55 have less than a year’s worth of savings to their name.

That is a problem, especially when this is the only country where you have to pay up to ten times as much for simple medicines as you would pay anywhere else. America's overpriced healthcare system might help subsidize the rest of the world, but that doesn't help the Americans who can't afford it, and they've started to notice.

Our youngest citizens may not have huge medical bills, but their college tuition keeps on increasing faster than the rate of inflation, adding more every year to our \$1.3 trillion mountain of student debt. America has become the only country where students take on loans they can never escape, not even by declaring bankruptcy. Stuck in this broken system, millennials are the first generation who expect their own lives to be worse than the lives of their parents.

While American families' expenses have been increasing relentlessly, their incomes have been stagnant. In real dollars, the median household makes less money today than it made 17 years ago. Nearly half of Americans wouldn't be able to come up with \$400 if they needed it for an emergency.

Yet while households struggle to keep up with the challenges of everyday life, the government is wasting trillions of dollars of taxpayer money on far-away wars. Right now, we're fighting five of them in Iraq, Syria, Libya, Yemen, and Somalia.

Now, not everyone is hurting. In the wealthy suburbs that ring Washington, D. C., people are doing just fine. Where I work in Silicon Valley, people are doing just great. But most Americans don't live by the beltway or the San Francisco Bay. Most Americans haven't been part of that prosperity. It shouldn't be surprising to see people vote for Bernie Sanders or for Donald Trump, who's the only outsider left in the race.

Very few people who vote for president have ever thought of doing something so extreme as running for president. The people who run are often polarizing. This election year, both major candidates are imperfect people, to say the least. Now, I don't agree with everything Donald Trump has said and done, and I don't think the millions of other people voting for him do, either. Nobody thinks his comments about women were acceptable. I agree, they were clearly offensive and inappropriate.

But I don't think the voters pull the lever in order to endorse a candidate's flaws. It's not a lack of judgment that leads Americans to vote for Trump. We're voting for Trump because we judge the leadership of our country to have failed. This judgment has been hard to accept for some of the country's most fortunate, socially prominent people. It's certainly been hard to accept for Silicon Valley where many people have learned to keep quiet if they dissent from the coastal bubble.

Louder voices have sent a message that they do not intend to tolerate the views of one-half of the country. This intolerance has taken on some bizarre forms. *The Advocate*, a magazine which once praised me as a gay innovator even published an article saying that as of now I am, and I quote, "Not a gay man" because I don't agree with their politics. The lie behind the buzz word of diversity could not be made more clear. If you don't conform, then you don't count as diverse, no matter what your personal background.

Faced with such contempt, why do voters still support Donald Trump? Even if they think the American situation is serious, why would they think that Trump, of all people, could make it any better? I think it's because the big things that Trump gets right.

For example, free trade has not worked out well for all of America. It helps Trump that the other side just doesn't get it. All of our leads preach free trade; the highly educated people who make public policy explain that cheap imports make everyone a winner, according to economic theory. But in actual practice, we've lost tens of thousands of factories and millions of jobs to foreign trade. The heartland has been devastated. Maybe policymakers really believe that nobody loses, or maybe they don't worry about it too much because they think they're among the winners.

The sheer size of the U. S. trade deficit shows that something has gone badly wrong. The most developed country in the world should be exporting capital to less developed countries. Instead, the United States is importing more than \$500 billion every year. That money flows into financial assets, it distorts our economy in favor of more banking and more financialization, and it gives the well connected people who benefit a reason to defend the status quo. But not everyone benefits and the Trump voters know it.

I think Trump voters are also tired of war. We have been at war for 15 years and we have spent more than \$4.6 trillion, more than two million people have lost their lives, and more than 5,000 American soldiers have been killed. but we haven't won. The Bush Administration promised that \$50 billion could bring democracy to Iraq. Instead, we've squandered 40 times as much to bring about chaos.

Yet, even after these bipartisan failures, the Democratic Party is more hawkish today than at any time since it began the war in Vietnam. Harking back to the no fly zone that Bill Clinton enforced over Iraq before Bush's failed war, now Hillary Clinton has called for a no fly zone over Syria. Incredibly, that would be a mistake even more reckless than invading Iraq. Since most of the planes flying over Syria today are Russian planes, Clinton's proposed course of action would do worse than involve us in a messy civil war, it would risk a direct nuclear conflict.

What explains this eagerness to escalate a dangerous situation? How can Hillary Clinton be so wildly over optimistic about the outcome of war? I would suggest that it comes from a lot of practice. For a long time, our elites have been in the habit of denying difficult realities. That's how bubbles form. Whenever there is a hard problem, but people want to believe in an easy solution, they'll be tempted to deny reality and inflate a bubble.

Something about the experience of the baby boomers whose lives have been so much easier than their parents' or their children's, has led them to buy into bubbles again and again. The trade bubble says everyone's a winner. The war bubble says victory's just around the corner. But these overoptimistic stories simply haven't been true and voters are tired of being lied to.

It was both insane and somehow inevitable that D.C. insiders expected this election to be a rerun between the two political dynasties who led us through the two more gigantic financial bubbles of our time. President George W. Bush presided over the inflation of a housing bubble so big that its collapse is still causing economic stagnation today.

But what's strangely forgotten is that last decade's housing bubble was just an attempt to make up for the gains that had been lost in the decade before that. In the 1990s, President Bill Clinton presided over an enormous stock market bubble and a devastating crash in 2000 just as his second term was coming to an end. That's how long the same people have been pursuing the same disastrous policies.

Now that someone different is in the running, someone who rejects the false reassuring stories that tell us everything is fine, his larger than life persona attracts a lot of attention. Nobody would suggest that Donald Trump is a humble man. But the big things he's right about amount to a much-needed dose of humility in our politics. Very unusually for a presidential candidate, he has questioned the core concept of American exceptionalism. He doesn't think the force of optimism alone can change reality without hard work.

Just as much as it's about making America great, Trump's agenda is about making America a normal country. A normal country doesn't have a half trillion dollar trade deficit. A normal country doesn't fight five simultaneous undeclared wars. In a normal country, the government actually does its job. And today, it's important to recognize that the government has a job to do. Voters are tired of hearing conservative politicians say that government never works. They know the government wasn't always this broken. The Manhattan Project, the interstate highway system, the Apollo program, whatever you think of these ventures, you cannot doubt the competence of the government that got them done. But we have fallen very far from that standard. We cannot let free market ideology serve as an excuse for decline.

No matter what happens in this election, what Trump represents isn't crazy and it's not going away. He points toward a new Republican Party beyond the dogmas of Reaganism. He points even beyond the remaking of one party to a new American politics that overcomes denial, rejects bubble thinking and reckons with reality. When the distracting spectacles of this election season are forgotten and the history of our time is written, the only important question will be whether or not that new politics came too late. Thank you. (Applause)

MR. BURR: Thank you, Mr. Thiel. Appreciate you being here at the National Press Club. Let's start off with, as a part of our conversation, I think I want to get to a lot of topics. We have a few hundred questions, I think, already submitted from people. But let's talk about the campaign here. Your candidate has talked a lot about how what's wrong with America. There are a lot of dissatisfied voters right now. Do you see this election as anything more than a contest to see who'll be the next captain of the *Titanic*?

MR. THIEL: Well, I hope not. I have always had a bias of favoring outsider candidates. I supported Ron Paul in '08 and 2012. I supported Carly Fiorina early in this race so I have a strong bias for outsiders. I think the insiders are often much more polished, they're talented politicians, but a lot of what they do does feel, to me, like rearranging deck chairs on the *Titanic*. So it's precisely because I'm worried about that

that I think we need to think a little bit outside the conventional policy box and we need to have a sort of broader public debate about the kinds of things we might want to do. But certainly, I worry about the decline. I take it very seriously, and one of the things-- I would have liked to see a race between Trump and Sanders because I think both of them viscerally felt the decline and viscerally-- they very much disagreed about what caused it, what to do about it, but that would have been a very different sort of debate.

What we have is a debate between one candidate who says everything is more or less fine, or it's as good as it can be. And then another one who says we're on the *Titanic*, it's about to sink. And so I prefer the second one.

MR. BURR: You talk a lot about backing an outsider and how that's important for America. But isn't there also something to be said about somebody who understands how Washington works better to actually get things done?

MR. THIEL: You know, we've been trying that for-- I would argue we've been trying that for quite a long time. On the kinds of issues I talked about today, the trade bubble, the war bubble, the globalization bubble, these various bubble policies, the insiders have been getting it wrong for a long time. You know, they were asleep at the switch when we had the dot com bubble in the '90s. They were even more asleep, I would argue, when we had the housing bubble in the last decade.

And the insiders have somehow been doing very micro policy adjustments and then letting these massive bubbles inflate on their watch. And so I think there is an argument-- the Trump point that he's made repeatedly that Hillary's experienced, but it's bad experience, somehow resonates with me a lot.

MR. BURR: Has your support of Mr. Trump affected any relationships or close business relationships in Silicon Valley?

MR. THIEL: You know, it certainly has generated a tremendous amount of discussion, gotten a lot of pushback from people, to say the least. But I think my friendships, close working business relationships, I think all those are very well intact.

MR. BURR: Do you have any other Silicon Valley businessmen you deal with who are more privately supporting Mr. Trump and don't want to say it publicly?

MR. THIEL: You know, it's one of the strange things of doing this. It has surfaced not a large number, but a small number of those people who all feel like they can't say it in public, and what not and are, you know, happy that I've done it. So they've sort of been conjured out of the ether, yes.

MR. BURR: Well, let me talk about that for a second. What have you learned this election cycle about Silicon Valley's appetite for political difference?

MR. THIEL: Well, it's more polarized than I realized. You know, I certainly-- I thought of Silicon Valley as a fairly liberal, fairly democratic place, it overwhelmingly backed Obama in 2008. But I didn't think-- I didn't think it was going to be this-- that there would be this sort of a visceral reaction where-- you know, and again, you know, most of the larger tech companies, you know, most of the-- many of these people have not said you shouldn't be able to back Trump or anything like this, but it's surprising to me that anybody would say that you're beyond the pale for taking a position that's held by half the country, you know?

There are positions that are beyond the pale. There are extreme fringe views. I've often supported, you know, fringe views in life extension or fringe views in sea studying, which are very minority views. This is the first time I've done something that's actually conventional. It didn't feel contrarian. This was the first-- it's like the first time I've done something big in my life that was just what half the country believed in. And it's been the most controversial thing ever, so that really surprised me.

MR. BURR: Has your company suffered any blowback because of your position?

MR. THIEL: I don't think so. I think that would be an even crazier thing. You know, it's like I'm not Trump. You know, the founders of the companies I invest in are not me. Their employees are not the founders, and if you sort of conflate two or three or four groups of people like this, that's a really crazy thing to do. You know, perhaps we should occasionally be held partially responsible for people who are one degree of separation from us. If you hold people responsible for people who are two degrees or three degrees of separation, that way lies insanity.

MR. BURR: But just to clarify, you don't believe your company's faced any blowback from consumers or other vendors you deal with because of your position?

MR. THIEL: Not in any meaningful way, no.

MR. BURR: In your RNC convention speech, you said, "Where I work in Silicon Valley, it's hard to see where America has gone wrong." Do you think Silicon Valley understands America? And what's that source of disconnect there?

MR. THIEL: Silicon Valley has been extremely successful over the last decade or so. But it's been a success that is a success of specific companies. You know, a number of which I've been involved in. And the story people in Silicon Valley always want to tell is one in which their specific success as individuals and as companies gets conflated with the story of general success and general progress in the United States. So we're doing well; therefore, our whole civilization is doing well, everybody's doing well. The whole country's taken to the next level. And so that's the narrative people love to tell, specific success linked to general success.

And I think the truth has been more one of specific success but more general failure. And I've been a critic of Twitter, for example, where on my-- on our website we've said, you know, they promised us flying cars and all we got was 140 characters. But, you know, it's not a critique of Twitter as a company. It's a perfectly good company. The people who work there have well-paying jobs. It's a perfectly great company, it's just not enough to improve living standards for 300 million-plus Americans.

MR. BURR: While we're on the topic, I want to get back to Trump for a second, but how do you think that disconnect in some ways shapes the companies and the products that are created there?

MR. THIEL: You know, this gets very speculative. But I would say that-- one way I've often described the dichotomy is that Silicon Valley deals in the world of bits. Most of the economy is the world of atoms. So the world of bits is computers, internet, mobile internet software, that ensemble. And there's been a narrow cone of progress around those kinds of industries.

But then you often have a less good of an understanding for the sort of industries that involve-- in atoms that are involved in building things. Sort of real estate, which Trump is in is sort of maybe the stereotypical industry involving atoms. Those are the ones that are often much more heavily regulated than the world of bits. And so if you're in the world of atoms, you might be very concerned about government regulation.

If you're in the world of bits, which is much less regulated, you might be much less concerned about government regulation. So there is this big separation just in terms of what they do. I wouldn't blame that on just a blind spot Silicon Valley has. I think that's a little bit too easy. Perhaps Silicon Valley has focused on the world of bits because it's actually gotten very hard to do things in the world of atoms.

When I was an undergraduate at Stanford, you know, there were still a lot of different engineering fields you could study in the 1980s. They were all bad decisions. It was a bad idea to become an aero astro engineer. It was a bad idea to become a chemical engineer or mechanical engineer. These were all industries that were sort of in structural decline because they were getting outlawed. They were getting regulated to death. Nuclear engineering, I mean your parents would have-- it would have been irresponsible to let you study that as a field in the 1980s.

You know, even electrical engineering, which was semiconductors, and that's sort of on the boundary between atoms and bits, that was a good field for about a decade. Not so much anymore. Computer science, not even an engineering field, that was the only sort of scientific technical field that actually had a future in the 1980s.

MR. BURR: Let's go back to Mr. Trump; we'll have more questions about Silicon Valley in a minute. Was the timing of your donation in any way related, donation to the Trump campaign, in any way related to the revelation of the "Access Hollywood" tape about Mr. Trump?

MR. THIEL: No. I mean, I think the tape was-- I think the tape was an extremely-- in extremely poor taste, extremely inappropriate, as I said. I didn't, you know, I didn't think as much even about the donation as I should have. My general perspective on this year was that money actually didn't matter that much. The candidates who raised the most money on the presidential level did incredibly badly. I didn't even think that Trump needed my money. You know, he hadn't raised that much money, they hadn't asked me for money, I hadn't donated. And so when they asked me, you know, I wasn't sure they needed it, but I thought I'd go ahead and write them a check. But I didn't think that much of this connection.

And, of course, I didn't think anybody would think that you would donate to a candidate because of the worst thing they've done. You support candidates normally because of the things you like about them, not the things you dislike. And it's odd-- like, I think almost all the people who are voting for Trump are voting because of the sense that the U. S. is very badly off track and perhaps we have to do some things to fix it.

MR. BURR: You mentioned in your speech that Mr. Trump is not necessarily humble. But are you concerned about some of the personality traits, the comments about women, his more bombastic style? Are you concerned what that says to younger Americans and says to our political discourse today?

MR. THIEL: Well, I think we've been pretty clear this year that there are a lot of things that are beyond the pale and I think there are things that Trump said a decade ago that even he would absolutely no longer say today. So, you know, I think that part of our discourse is getting policed adequately and will continue to be policed adequately.

I think that temperament, you know, the kind of place where I worry about that most on a policy level is do we get into more wars or not. And I'm not sure whether that's sort of a matter of temperament or more a matter of world view. But certainly I would worry much more on that with Hillary getting us into wars. The nuclear one, which is the most dangerous probably involves still a confrontation with Russia. And I don't think, you know, I don't think Hillary Clinton has accused Trump of being overly hostile to Putin.

MR. BURR: But are you concerned about Mr. Trump's temperament when it comes to the nuclear codes at all?

MR. THIEL: Well, I don't think that-- I think he wouldn't even get us into a situation where it would even be close with respect to Russia. So I think if you actually look at the specifics, where might something happen, where might something go wrong, I would think that in some ways Hillary's much more dangerous than Trump. I don't think Hillary will get us in nuclear war, either, but it's a much more confrontational foreign policy.

MR. BURR: What about Mr. Trump's temperament with other countries; North Korea, China, that could pose some trouble if he were elected president because of how he responds?

MR. THIEL: Well, North Korea has been a problem for a long time. I think at this point, it's actually more a problem for China than for the U. S. It's a pure client state of China. You know, I don't like the way China's managing it, I'd like them to do something to change things around rather than tolerate the horrible dictatorship that exists there. But I think China will keep it a very bad, very unhappy but a very low volatility situation.

MR. BURR: Let's go back to domestic politics. As an entrepreneur yourself, where do you place Donald Trump's economic plan against Hillary Clinton's plan? What key factors in this plan do you think will nurture small business ascension versus Secretary Clinton?

MR. THIEL: Well, I think it is-- first off, it is just this general way in which it is rejecting the sort of bubble thinking. And I think what we have to acknowledge is that the bubbles we've had in this country since the 1990s have on net been catastrophic. You know, the tech bubble that I experienced first hand in the late '90s in Silicon Valley was extremely exciting. It seemed to accelerate things tremendously. But then, you know, after it crashed, B2C meant back to consulting, B2B meant back to banking. And I think the whole thing ended up leading to an enormous misallocation of capital; even worse, an enormous misallocation of talent. People went into new industries, they lost their jobs. Their careers went sideways for many years.

And so I think that the sort of bubble history has been very catastrophic and that's sort of an honest assessment of our economy and what to do, would start with talking about that. Temperamentally, I think that Trump understands, he viscerally understands, the ways in which government regulations are-- you know, they're not that bad for big business, because big business often has the resources to deal with them. Sometimes, big business even likes regulation because it knocks out the small businesses that might compete.

But it's catastrophic for small businesses. And there's been much less formation of small businesses in the last decade or so in the U. S. relative to historical baseline. You can debate why this happens, why questions are always hard to answer. But my instinct is that it does have something to do with the toughness of the regulatory climate in this country.

MR. BURR: Mr. Trump bills himself as a big, good businessman. Yet, there's been a lot of stories recently about the bankruptcies he's had in his companies, the fact he won't release his taxes to say how much he's actually contributed to charities. Do those raise any concerns in your mind?

MR. THIEL: Well, you know, I think he's been a successful businessman. I think he's been a very successful real estate developer. There's no question about that. We can debate how many zeros exactly he has in his net worth, but he has-- you know, he has a lot, so-- he has a huge number, even. I think that-- real estate is an industry that's very different from tech and so it's not one I would consider myself that expert at evaluating the specifics of what someone has done. I think it's a fairly zero sum business, it's a very tough industry especially in our big urban cities like Manhattan or San Francisco.

And I suspect that in many ways, you know, what Trump did was par for the course in that context. You know, we have an enormous amount of transparency on our political leaders, I think that's a good thing. On the whole, there's always a question of-- there's a point where it gets pushed too far. I would worry that we ask so much-- we examine people under an electron microscope if you're running for dog catcher in this country. And at some point, I would-- I do think that this is the single biggest reason that more talented people do not run for political office and do not get involved.

You know, there's the transparency in some ways, is-- often gets taken in this very toxic direction. So I don't know whether or not Trump should release his tax returns, but I think at this point the American people know far more than enough to make up their minds about the two candidates.

MR. BURR: You do believe, though, that the vetting process for our American political candidates should be strong and thorough?

MR. THIEL: Oh, it should be very strong, and it is very strong. But I also believe that there are a large number of-- that we have, in some ways, have a less talented group of people running today versus 40 or 50 years ago. I think the vetting process was very tough, you know, when Kennedy was running for president in 1960. But it's not clear somebody like Kennedy would be electable in today's world.

MR. BURR: Has Mr. Trump given you any private assurances he wouldn't roll back progress on LGBT rights or his appointments to the Supreme Court wouldn't undo the rulings for same sex marriage nationwide?

MR. THIEL: You know, I've not had conversations with Mr. Trump on that specific subject. I do think that he represents a sea change from the Republican Party of Bush 43. You just think about the way Bush 43 was speaking negatively about gay marriage at every single campaign event in the 2004 election. It's something where Trump has-- everything he's indicated is that he would be quite expansive on gay rights.

MR. BURR: Lastly, and I'll move on to another topic, but do you personally support Mr. Trump's comments and rhetoric before about banning Muslims from traveling to the United States?

MR. THIEL: You know, I don't support a religious test. I wouldn't use-- you know, I certainly don't support, you know, the specific language Trump has used in every instance. But I think one thing that should be made distinguished here is the media always is taking Trump literally. It never takes him seriously, but it always takes him literally. I think a lot of the voters who vote for Trump take Trump seriously, but not literally.

And so when they hear things like the Muslim comment or the wall comment or things like that, it's not-- the question is not are you going to build a wall like the Great Wall of China or, you know, how exactly are you going to force these tests. What they hear is we're going to have-- we're going to have a saner, more sensible immigration policy. We're going to try to figure out a way to-- figure out how do we strike the right balance between costs and benefits.

And, you know, immigration, it's not an all or nothing. It's not that you should let everybody in, it's not that you should let nobody in. Those are two very different positions. They're exclusive, but they're not exhaustive. There's a lot of room in between and the question, the policy question is how to tackle that. And I do think there's something-- you know, we live in a-- there's an immigration bubble where we say, you know, it's all good. You shouldn't ask questions. And I think we could have a better policy. I personally would like one like Canada or Australia. I think those countries have much better policies than our country and we could become a more normal country, learn from places that are doing it better than we are.

MR. BURR: Switching subjects, you're sitting here at the National Press Club surrounded by journalists. Do you believe you've set a dangerous precedent in secretly suing Gawker in connection with its publication of the Hulk Hogan video? And are you engaged in any other lawsuits? But let's start with that precedent. Is that a dangerous precedent to set?

MR. THIEL: I don't think so. You know, let's start with the facts of the case. It involved a sex tape. If you make a sex tape of someone with their permission, you are a pornographer. If you make a sex tape without their permission, we were told now, you are a journalist. I would submit that is an insult to all journalists. This is not about the first amendment, it is about the most egregious violation of privacy imaginable. Publishing a sex tape surreptitiously filmed in the privacy of someone's bedroom and to hide behind the first amendment, behind journalism, that is an insult to journalists.

And that's why, that's why Gawker lost so catastrophically at the court in Tampa, Florida, because they were arguing all these sort of abstract theories and we kept focusing on the facts of the case. There was a deposition of A. J. Daulerio, the editor, who published the sex tape. In the deposition we asked him, "So is there a sex tape you wouldn't publish?" "Well, maybe if it involved a child." Then we asked, you know, "What age child?" He said, "Well, if it was a four year old child." There were sort of gasps by the jury at that point.

So maybe it was-- you know, it's sort of was like he's an aspiring child pornographer. And that's not what journalism's about. So, I strongly believe in the first amendment. I believe, you know, journalists are a privileged group in our society. They play an important role in getting us information and our system of checks and balances. But, these were not-- these were not journalists.

MR. BURR: Do you think what happened to Gawker could happen to other news publications? I mean, could wealthy, powerful people seek revenge against a news organization because of something they didn't like and use their influence and money to take them out?

MR. THIEL: You know, they shouldn't-- wealthy people shouldn't do that. I think if they try, they won't succeed. You know, it's-- Gawker was-- it was a pretty flimsy business. It was a bad business. It didn't make that much money. But they could have withstood all of the lawsuits. You know, they lost because of an enormous verdict that came in against them. That's why they lost at the end of the day. I could have underwritten many more lawsuits. That wasn't the problem. The problem was that they lost on the facts.

You know, I thought that it-- I was very careful in the Hulk Hogan litigation in picking a lawsuit where the fight was over privacy. We did not even bring a libel action because that was sort of the way I wanted to make clear in the Hogan case that it was not about the media, it was not about the media more generally.

MR. BURR: Are you engaged in any other lawsuits against news organizations?

MR. THIEL: I've been involved in the Gawker case, nothing else. And part of, you know, part of my thought was, again, they were a singularly-- they were a singularly sociopathic bully. My view is that other journalists, other media organizations, were not remotely in the same ball park.

MR. BURR: Tell us how you got involved, and especially how and when you got connected to Charles Harder, Hulk Hogan's lawyer in the Gawker case, and why you did this secretly?

MR. THIEL: Well, you know, it was a multi-year-- I have to be little bit careful on what I comment on this since the litigation is still ongoing. But I got involved over a number of years. And it was one of these things where as you got involved, you came to believe in the justice of the case more and more because there were so many different people that you interacted with who had been destroyed. In many cases, in most cases, it was not super prominent people, it was-- or super wealthy people. It was people who couldn't afford to do anything.

And one of the striking things is that if you're middle class, if you're upper middle class, if you're single digit millionaire like Hulk Hogan, you have no effective access to

our legal system, it costs too much. And this was the modus operandi of Gawker in large part. It was to go after people who had no chance of fighting back.

You know, we can debate about whether the more appropriate thing for me would have been to be transparent about funding it all the way through. But, my judgment was that Mr. Hogan deserved to have his day in court and that that would have distracted from his day in court. You know, he-- that transparency and that would have turned it into this very different narrative, into the Gawker narrative, that it's the billionaire trying to squash the first amendment rather than what I think it was actually about, which was an egregious violation of privacy, the publication of a sex tape.

And one other perspective on this is that I've been involved with the internet for the last 20 years. I'm generally in favor of the internet. I generally think it's been a good thing. But I think there are some parts of it where things have gone wrong and one kind of phenomenon that's very new that can take place on the internet is this sort of transparency anonymity combined. We have this sort of-- these mobs, flash mobs that get directed at specific individuals. That's a very new phenomenon, and Gawker in some ways perfected it where you'd pick on people and you would destroy their lives and you'd write nasty stories. The writers might then even add comments that were even more vicious than the ones in the story, all so as to generate a virtual mob that would go after these people.

There were many different targets they had. They had targets in Silicon Valley, they had celebrities as targets. But one big class of targets that Gawker went after were people in the media. You know, sort of one class of people they especially hated were other reporters, other writers. And in the sort of pre-history, as I was-- as we were building up this case, a few people I talked to about it, and some of the people who encouraged me to keep going were some of my friends in the media because they knew how much Gawker had actually specifically targeted more successful writers and reporters over the years.

MR. BURR: You've had a feud with Gawker for more than a decade, as I said in my introduction. When did you decide that funding another person's lawsuit would be the best course of action to take down Gawker, and when did you set this in motion?

MR. THIEL: You know, it would have been roughly co-equal with the time the Harder firm started to work with Hogan, so over four or five years ago. You know, my initial view was that what you were supposed to do was you were supposed to take your beatings, crouch down, go into a fetal position and then hope they moved on to somebody else. And sort of around 2011, one of my friends convinced me that if Gawker could get away with this sort of sociopathic repeat behavior over and over, it was this tragedy of the commons. Nobody would ever-- you know, they would continue to ruin lives one after another.

And there were many people they did things to far worse than me. And so, I was convinced that if I didn't do something, nobody would.

MR. BURR: The candidate you're supporting for president, Mr. Trump, has spoken several times about changing libel laws in this country so that he can sue news outlets essentially for stories that he doesn't like. We have laws in place right now to protect public figures, as well as ordinary citizens. Where do you draw the line?

MR. THIEL: Well, I don't think the libel laws need to be changed. I think that there certainly are questions about how we-- are there some new facts and circumstances that are a little different, so I think it's always good to ask questions. If you're the child of a celebrity, do you get subjected to the same amount of scrutiny as celebrity? Even if you're a public figure, can your sex tape be made public? Don't think so. If you're a tech CEO of a startup with 12 people, should you be subject to the same level of scrutiny as a presidential candidate or other public figure? So I always think there are some corner cases like this that we should explore. I think there are ways that the internet has changed these boundaries some. And so I do think we need to reexamine some of these corner cases.

But I think on the core principle of something like *New York Times v. Sullivan*, that obviously should stand and that's been a good thing. I don't think that needs to change, or should change.

MR. BURR: Speaking of Charles Harder's now developed a reputation as the go-to lawyer for the rich and powerful when they want to threaten media outlets. He now represents Roger Ailes against the *New York* magazine, Melania Trump against the *Daily Mail*, and other clients. As a Libertarian, do you feel this is a threat to freedom of the press in any way? How would you characterize what he does?

MR. THIEL: You know, I'm not going to speak to all the-- you know, I'm not familiar with all the details of all the litigation. I'm not underwriting any of those lawsuits, just to be very clear. I do think what actually matters in litigation is what happens at the end game. Sort of like the-- it's like the-- if you want to understand litigation, it's like the Capablanca line in chess. You must begin by studying the end game. You must begin by thinking about do you actually ultimately win or lose?

And if you bring a harassing lawsuit and you lose, that also sets a precedent, and that's a precedent for greater press freedom over time. And so I think that when one brings litigation, you have to think all the way through to the end game. And I wouldn't do it because, number one, I think the first amendment should be respected. But number two, many of these sorts of cases I wouldn't bring because I think you ultimately won't win. It's very different from Gawker where we could map out with a high level of certitude that if we had our day at court, we would win.

MR. BURR: Well, since you came to the lion's den of National Press Club in some ways, let me ask you about your concerns about the media today. What do you think are the problems with the media, the news media? And what do you think that means for society and what would you do to fix them?

MR. THIEL: Well, identifying the problems and how to fix them are two very difficult, different kinds of questions. You know, I always am fixated on economic questions and the economic challenge that's very severe is that a lot of the business models that media companies have are not working as well as they used to. I don't exactly know what you need to do to fix that. But I think the way I tell the history of media, newspapers, magazines, a lot of print media, was that these were incredibly robust monopoly businesses in the 1980s and 1990s. And if you worked at a newspaper, it's like you were working at a utility company. You had this cushy, fairly sinecured position because you were a local monopoly. And the internet inadvertently sort of eroded these business models.

You actually have more power, you know. The stories you write reach more people, so the media is, in some ways, more powerful than ever. But it's economically not doing as well. And I think that is a big challenge. I think the monopolies that media enjoyed were in some ways a good thing because even though we don't want monopolies in many cases, they did provide a positive externality for our society. The monopolies were good. Monopolies have been eroded and that's sort of the core challenge.

It's not the self understanding people have. You know, you normally don't like to say I'm working at a monopoly company and that's why we're doing so well. But I think that's the history of what happened and what needs to be understood better.

MR. BURR: Sticking with the Gawker situation for a second, on the opposite side, since you say you're a believer in freedom of the press and good journalism, do you think it's the responsibility of folks like yourselves who have the resources and the ability to help fund good journalism out there and would you do so?

MR. THIEL: You know, I wouldn't want to compete with Jeff Bezos ever. You know, so he's the-- I think he's the toughest person in the world to compete with at this point, so just to be very clear, I have no plans to buy the *Washington Times*. But I think that-- I think sort of getting-- I think, you know, I think it's possible that that's a direction that media will change in where it becomes almost a sort of nonprofit undertaking. I'm not sure that's the healthiest way for the media industry to develop because I think a lot of nonprofit organizations are not that effective. They're sort of weirdly distorted. They do good, but it's actually-- they're often not managed all that well.

And so perhaps it moves in that direction. But I'm not sure that's the solution to the problem.

MR. BURR: Switching subjects a little bit, as a Libertarian, what do you think are the greatest threats to your freedom today and what do you think can help increase people's individual freedoms?

MR. THIEL: Well, I think it is-- you know, the sort of-- look, the ideological Libertarian answer to that is always the government and then probably from a civil

Libertarian perspective it's government fighting too many wars. It's government incarcerating too many people in our society. It's government regulating the economy too much. And then I would like to see-- so I'd like to see less involvement by the U. S. in-- as a global-- less of the U. S. as a global policeman. I would like to see fewer people in jail in the U. S. It's another place where the U. S. is an exceptionally crazy country where we have incarceration rate that's completely out of synch with the rest of the developed world. And I'd like to see if we had an incarceration rate like Western Europe or Canada or Australia, that would be a sane direction for us to go in.

And then the regulation of businesses. So I think, you know, I don't think-- I think there are parts of Libertarianism that always sound fringe. I think the issues I would want to focus on are ones where the U. S. actually just becomes like other developed countries.

MR. BURR: Going back to your Republican National Convention speech, you said, "Our nuclear bases still use floppy disks. Our newest fighter jets can't even fly in the rain. And it would be kind to say the government software works poorly because so much of the time it doesn't work at all." If you're talking about less government and more Libertarian things, how does America fix that stuff still?

MR. THIEL: Well, this is where I think my ideal would be a smaller government that does more with less. You know, not-- the ideological debates we have in Washington, D. C. are always more with more versus less with less. It's sort of runaway spending with no controls or austerity where, you know, you're 300 pounds and you will chop off your thumb as a weight control measure. So that's sort of the weird-- that's the weird public policy debate we have.

And what the technology industry is about, what-- is always doing more with less. And I think that would be a healthy perspective for us to have in D.C. So the question is can we have-- whatever we spend on the military, can we achieve the same for less? So if you have an F35 fighter jet that doesn't fly in the rain, maybe you could have-- is there such a thing as a less expensive jet that can fly in the rain? I suspect there is and so-- and this is where I differ from Libertarians because they might be excited about the F35 jet and say, "Good, we can just shut down the whole government." And I think we should take as a challenge to make it work better.

If you can never do better than the F35, that's a super Libertarian perspective, because then you just have to shut everything down. If everything is as bad as the F35, you should just shut down everything in this town, have everyone go home. And what I always point out to in these things, though, is there's been a decline. You know, Libertarianism would not have sold as well in the '40s or '50s or '60s in the U. S. If you were a Libertarian, that was-- it's fringe today, it was super fringe in the '50s and '60s because that was a society where the premise is the government couldn't do anything, didn't make sense.

The Libertarian Party got started in the 1970s in the U. S. That's when it took off, and the 1970s is the decade where things really stopped working in this country and

especially on the governmental side. And so I think there's this deep link between libertarianism and the decline of our governmental institutions.

MR. BURR: Before I ask the final question, a quick reminder. The National Press Club is the world's leading professional organization for journalists and we fight for a free press worldwide. For more information about the Club, please visit our website at Press.org. That's Press.org. Also quick reminder about some upcoming programs. On November 21, Gina McCarthy, the Administrator of the Environmental Protection Agency will speak here. November 30, Paul Wiedenfeld, the general manager of the Washington Metropolitan Transit Authority will be here. And on December 2nd, we'll host MGM Resorts Chairman and CEO, James Murren.

I'd like to ask again the audience to remain seated until our guest has departed. I'd also like to present our guest with the traditional National Press Club mug.

MR. THIEL: Thank you very much. (Applause)

MR. BURR: So my final question, sir, what's your future in politics? After this race is over, how do you decide which candidates or, perhaps, political parties you're going to support?

MR. THIEL: Well, you know, I think my future is going to continue to be in the tech industry. That's what I am good at, that's what I enjoy doing. I always have this view of-- a somewhat schizophrenic view of politics where I think it's a horrible business, it's incredibly destructive. A lot of it is like trench warfare on the western front where there's crazy amounts of carnage and nothing ever changes. And then that's one part of my schizophrenic view.

The other part is that it's really important. There's some problems that can't be solved outside of this political arena. And the way I deal with my schizophrenia is that I occasionally get involved, but don't want to make it a full time thing.

MR. BURR: Thank you for being here, Mr. Thiel, appreciate it.

MR. THIEL: Awesome, thank you very much.

MR. BURR: Thank you. (Applause)

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